

Message Text

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PAGE 01 STATE 188566
ORIGIN NEA-10

INFO OCT-01 ISO-00 COME-00 EB-08 /019 R

DRAFTED BY NEA/IRN: R W BEALES:RR
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COM/CAGNE: J LILL (INFO)
-----074128 101709Z /41
O 101649Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN IMMEDIATE

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E.O. 11652: N/A

TAGS: BDIS, IR

SUBJECT TRADE COMPLAINT: ADVANCED COMPUTER TECHNIQUES
CORPORATION (ACT) AGAINST INFORMATION SYSTEMS IRAN (ISIRAN)

1. OFFICERS OF AND LAWYERS FOR ACT HAVE RAISED WITH
DEPARTMENT SUBJECT OF AN OUTSTANDING INDEBTEDNESS DUE FROM
THE GOI-OWNED ISIRAN FOR SERVICES PERFORMED DURING 1977
UNDER LETTER OF INTENT THAT HAS BEEN PERIODICALLY
EXTENDED SINCE 1975. WORK INVOLVED INSTALLATION OF AN
AUTOMATED INVENTORY SYSTEM FOR THE IIAF. BELIEVE EMBASSY
IS RELATIVELY WELL ACQUAINTED WITH THE HISTORY OF THE
MATTER AND WITH THE RECENT ABORTIVE CONTRACT NEGOTIATIONS
BETWEEN ISIRAN AND THE IIAF (AND EVENTUALLY INVOLVING ACT).

2. AMOUNT OWING IS APPROXIMATELY \$2,200,000 COMPRISED OF:
\$300,000, BEING THE DOLLAR PORTION OF THE MONTHLY SERVICE
CHARGES DUE FOR APRIL AND MAY; \$600,000, BEING THE FULL
MONTHLY SERVICE CHARGES DUE FOR JUNE AND JULY; \$350,000,
BEING THE AMOUNT WITHHELD BY ISIRAN FROM THE MONTHLY
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PAYMENTS AS A PERFORMANCE GUARANTEE AND NOT YET PAID
TO ACT; \$750,000, BEING THE AMOUNT CLAIMED FOR EARLY
TERMINATION OF THE LETTER OF INTENT; \$200,000, BEING FOR
MISCELLANEOUS ITEMS SUCH AS TRAVEL, SUPPLIES, LIVING

EXPENSES, INCORRECT CURRENCY CONVERSION, NON ADJUSTMENT OF
PRICES FOR TAX WITHHOLDINGS. ISIRAN HAS PROMISED SINCE

JULY 2 TO PAY THE DOLLAR PORTION OF THE APRIL AND MAY SERVICE CHARGES; ITS SOLE REASON FOR FAILURE TO PAY HAS BEEN ITS CLAIM THAT IT IS SHORT OF FUNDS.

3. ACT HAS USED UP ALL AVAILABLE LINES OF CREDIT AND IS IN SERIOUS DANGER OF BEING UNABLE TO MEET ITS OBLIGATIONS UNLESS IT RECEIVES PAYMENT OF ITS NON DISPUTED SERVICE AND EXPENSES INVOICES, AS WELL AS THE RETURN OF THE PERFORMANCE GUARANTEE.

4. WE ARE POUCHING TO EMBASSY, BREWIN A MEMORANDUM PREPARED BY ACT SETTING FORTH THE SITUATION IN GREATER DETAIL.

5. IN THE MEANTIME, BECAUSE OF THE FINANCIAL DISTRESS RESULTING TO ACT, WE REQUEST THAT THE EMBASSY MAKE AN IMMEDIATE HIGH-LEVEL APPROACH TO ISIRAN. GENERAL MANAGER BEN MOTAZED WAS RECOMMENDED BY ACT TO ATTEMPT TO ACHIEVE AN EARLY SETTLEMENT OF THE CLAIM. CHRISTOPHER

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Message Attributes

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Copy: SINGLE
Sent Date: 10-Aug-1977 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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